Ways to Reduce Your Chance of Equipment Theft



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It happened in broad daylight. Eddie Nivens, owner of <u>Cutting Edge Lawn & Landscape</u> in York, South Carolina, left his keys on the floorboard of his truck while on a job. He assumed the truck would be safe in the tiny unincorporated community of Indian Land, North Carolina, where everyone knows everybody else by sight.

It was a bad assumption.

Nivens was mowing a commercial customer's lawn when one of his crew alerted him that someone was driving his truck and trailer away. In addition to the keys, the cab contained Niven's cell phone and important financial records, which the thieves later used to clean more than \$10,000 out of Nivens' bank account.



Police later found the truck and trailer and returned them to Nivens, minus about \$4,000 worth of equipment. A few days later they caught the thieves after a two-day manhunt. But that wasn't the end of Nivens' trials. Just over a week after the original incident, he found himself surrounded by police cars when he was out in his truck. It turned out the vehicle hadn't been removed from the national crime database for stolen vehicles. "I had nothing but bad luck for a week, and then that morning it just got worse," he says.

Equipment theft is bad news for any company, but for a small, one-truck operation it can be devastating. Just ask Michelle Reuter, owner of It's A
Beautiful Lawn Inc., a family-owned and operated landscape company in Yulee, Florida. She and her husband received a call while they were on a family vacation that their trailer had gone missing. "In our truck and trailer we had all of the equipment that we needed to run our lawn and landscape business," she says. "Someone had stolen our livelihood."

While Nivens' and Reuter's stories are more dramatic than most, similar incidents of equipment theft happen more frequently than most landscape contractors would like to believe. Theft is an inevitable part of the landscape industry—from the occasional loss of a piece of equipment left unattended to a break-in at a maintenance yard. Contractors are enticing targets for theft because they have a lot of valuable equipment that is easy for thieves to move. There is typically little documentation available on landscaping equipment, and unlike cars there is no registry for people buying equipment to check with. While theft rates are higher in large cities, equipment theft can happen anywhere, even in the smallest community, and at any time of day or night. Equipment can be stolen from the job site or from your office or garage, by strangers or by your own employees.



It is impossible to eliminate equipment theft entirely. However, there are many things companies can do to reduce the likelihood of theft occurring. Let's take a look at some of the things you can do to reduce your chances of having equipment stolen.

Secure your yard

The first line of defense against theft is to install and use adequate security devices and systems. Your own property is a prime place for theft to take place, so be sure to secure it as tightly as possible.

When possible, keep equipment in an area that is well lit and easily seen from the road. Avoid privacy fences. "I know a lot of people think that privacy fences and bushes make it less likely for a thief to come onto the property, but in reality this just gives thieves cover to get to work," says Zachery Bruce, assistant vice president of loss control at Hortica Insurance & Employee Benefits.

Some quick tips:

- Install security fences around the area where equipment will be located.
- Install motion-censored security lights.
- Install a security system that sends messages when motion is detected on the property. These systems can be set up to send notifications to several key employees who can then act on them appropriately. If located in a high-theft area or for a company that has been hit multiple times, there are also companies that provide live video monitoring and can call the authorities immediately. Authorities may be more likely to respond quicker if they know a crime is actually in progress.
- If it is practical for you, consider keeping a watch dog inside your yard. Just the presence of a dog will deter most would-be burglars. Even a small dog can be effective if it is noisy enough. Rent-a-dog services are available in some areas, for business owners not willing or able to take care of a dog themselves.

Secure your large equipment

Next, take steps to secure your truck, trailer and other large equipment. Even very large, heavy equipment like backhoes and front-end loaders are stolen routinely. Sometimes this type of equipment is stolen outright. At other times, thieves use it to assist in stealing other valuable items, such as ATM machines.

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Don't make the mistake of thinking that no one would steal a vehicle as conspicuous as a truck and trailer emblazoned with your company name. They will, if only because it's a convenient way to steal the thousands of dollars worth of equipment inside. Very typically, thieves will empty out the contents and abandon the truck. However, don't count on your equipment being returned. In 2014, only 23 percent of stolen heavy equipment was recovered, according to the National Insurance Crime Bureau 2014 Heavy Equipment Theft Report.

Take these steps to keep your large equipment secure:

- Always lock your vehicles, even if you are working nearby.
- Install hitch locks on your trailers to prevent unauthorized people from hitching up and hauling a trailer away.
- Install steering wheel locks or similar specialized locking devices that can be used to make equipment more difficult to drive away with.
- Install hidden shut-offs to prevent the equipment from starting up.
- Rekey high-value equipment. "Almost all equipment is sold with generic keys that can be obtained easily by thieves," says Bruce. "Then all they have to do is take the keys and drive away with the equipment. Thieves can buy a set of equipment keys from Ebay for \$30 to \$200 and start just about any piece of equipment on the market. For a little under \$200 you can get 181 equipment keys."
- Another option is to install a keyless ignition device that requires a passcode.
- Install a GPS tracking device on valuable large equipment.
- If you have to leave equipment unattended for several days (for instance, over a long holiday weekend), consider removing vehicle batteries and/or wheels.

Secure your small equipment

Securing your trucks and trailers is also the first step to small equipment loss prevention. Small equipment such as trimmers, blowers, chainsaws and gas cans are prime targets for thieves. Such items are easily carried away, easy to hide, easy to sell and once gone are very difficult to track. In fact, small equipment theft may be even more common than anyone knows.



Small-value theft often goes under the radar because it isn't typically something that is turned into the insurance company. Most losses go

unreported unless there are multiple pieces stolen, because the value of many small equipment pieces frequently is less than the insurance deductible. Even if it is insurable, many owners don't think to take advantage of the insurance for a small item.

The key to protecting your small equipment, says Bruce, is to do whatever you can to make it difficult for an unauthorized person to get anywhere near it. "All too often when we perform loss control site visits or receive claims it's due to a crime of opportunity," he says. "This means equipment is left in the open at a jobsite, or trailers and vehicles have not been secured."

Bruce offers the following tips for protecting your small equipment:

- Whenever possible, store equipment inside a building. This may mean taking it out of the trailer or sometimes the trailers can be parked in a building.
- If you have to leave equipment in a vehicle, try to strategically park your truck or trailer to make it harder to access the equipment.
- Mark or paint your equipment with distinctive colors. "I just visited a landscaper that had painted blue and red strips on all of their equipment and they told me how they ran across a truck on the side of the road that had their equipment markings," he says. "They called the police and arrested the person (who turned out to be a prior employee.) After the arrest they searched the employee's home and found even more stolen equipment."
- Keep your small equipment in locked boxes or cages inside your secure areas.
- If smaller pieces such as generators or compressors have to be left unattended on site, consider leaving them close together inside a ring of larger equipment. This type of "wagon wheel" configuration makes the equipment less accessible and more difficult to remove.
- You might also consider locking pieces of equipment together and/or to larger equipment or to a building, fence or tree.

Record/register your equipment

Besides physical measures, one of the most prudent things you can do is to keep an accurate, up-to-date inventory of every piece of equipment you own. Keeping a written record of equipment and its corresponding serial numbers pays off in multiple ways. It simplifies the question of what equipment is where and who has it. It allows the company to verify ownership of stolen equipment should it be recovered by authorities. As an added bonus, it also helps to make sure that the company is not repairing equipment that may still be under warranty.

Some of the things you should keep records of include:

- Make and model number
- Serial number
- Date and location of purchase
- Photograph(s) of the item
- A list of authorized users

• Warranty information

Many smaller pieces of equipment do not come with serial numbers. In this case, you can create your own by engraving an identifying number on them. Be sure to list in your inventory where this number can be found if it is not obvious by looking at the equipment.

It is also a good idea to register whatever equipment you can with the National Equipment Register.

"The bottom line is that keeping an eye on your equipment is the best way to make sure it is secure," advises Ben Deceuster, vice president of sales and estimating at California. "We enter all equipment serial numbers into a database that not only helps us keep track of what we have, but who has it and where it is. The serial numbers also help in identifying to authorities the actual pieces of equipment that were stolen. We serve a large territory that encompasses four counties, so being able to track equipment as it moves to different locations is an essential part of being able to tell whether it has been misplaced or stolen."

Choose your jobs carefully

While criminal activity can occur anywhere, it tends to be more prevalent in some neighborhoods than others. If a customer is located in a bad part of town, think twice before accepting the job. By the same token, if you start noticing a missing equipment trend for accounts in a particular area, consider whether it might be better to drop those accounts. No one likes to lose or turn down business, but if the risk is too great you may be better off without them.

"[It] happened to us once: locks were cut off of one of the enclosed trailers and halfway off of another one," says Luc Limbourg, owner of Green Team
Solutions
in West Palm Beach, Florida. "All light equipment was stolen: chain saws, blowers, pressure cleaner, edgers, weed whackers ... basically anything they could carry and lift over the fence. Insurance paid back about 70 percent of the value. It happened over the weekend. Now the 'bad' neighborhoods we leave for our competitors to handle."

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Create a theft prevention plan

Ultimately the effectiveness of most if not all anti-theft precautions depends on how well they are used and followed. Training your employees in theft prevention best practices is critical. Many companies find that having a written protocol helps keep employees on track.

If you already have an employee manual, you can easily incorporate your antitheft measures into it. Otherwise you can create a manual just for this purpose. Some of the things you may want to implement include: Determine who is responsible for what. For example, you might want to require that every employee lock down their equipment inside the truck when they are not using it. Supervisors may be held responsible for making sure all equipment is returned and locked up at the end of the day.



Use sign-out sheets. These not only allow you to track who had a piece of equipment last, but signing their names to an article can also make picking up a piece of equipment a conscious act. This may help your employees be more aware of how they use the equipment, and less likely to misplace it.

Systematize inventory records. Have a system for keeping and updating equipment records, including serial numbers and locations. You might want to take advantage of one of the several tool and asset management software packages on the market.

Implement equipment security training. Make sure every employee is aware of the danger of equipment theft, and inform them of the best practices for preventing it.

Require employee uniforms. If your employees always wear distinctive clothing it is harder for unauthorized personnel to approach your equipment unnoticed.

Also keep a close eye on your employees. For more tips on how to do this, read: <u>Prevent Employee Theft</u>

Rally your allies

Theft doesn't just affect your business, it affects your entire community. Don't hesitate to ask others in your community to help you prevent criminal activity.

In particular, you will want to cultivate a good relationship with local law enforcement. Be sure that if and when a theft is discovered, you notify the police immediately. The longer a theft goes unreported, the less likely that you will recover your assets.

You can also include your clients and/or their neighbors in your theft prevention plan. Inform them when you will be servicing their properties, as well as the appearance of your trucks and employees. Provide them with the appropriate numbers to call if they notice anything suspicious. They will appreciate your concern about security, as they also own valuable property that is subject to theft. Your diligence will also help guard against criminals posing as members of your crews in their neighborhoods.



Cover your assets

Finally, no discussion of equipment theft would be complete without mentioning insurance. The time to think about coverage is before you have equipment stolen, not after. Too often, a contractor reports missing

equipment only to find that his insurance won't cover the loss.

When shopping for insurance, compare the details of different policies. What categories of equipment are covered? Does the policy you are considering cover full replacement costs or depreciated value? What about leased, borrowed or rented equipment — whether it's equipment you are renting or items you might rent out to third parties?

Ask, too, about the insurance company's average response time to claims. Missing equipment can cost valuable time on the job, and it may be worth slightly higher rates in exchange for quick replacement coverage.

Another thing you might want to consider is business interruption coverage. This will reimburse you for lost profits in the event that stolen equipment prevents you from earning the income you expected.

Equipment theft is, unfortunately, a fact of life in the landscaping business. But you really can stop most theft before it happens. It just takes smart planning and constant vigilance.

Why not start your anti-theft campaign today? Tell us about it in the comments.